

**Executive Summary – Enforcement Matter – Case No. 44584  
Eagle Rock Field Services, L.P.  
RN102527397  
Docket No. 2012-1447-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Kingsmill Complex, 8442 County Road 3, Pampa, Gray County

**Type of Operation:**

Natural gas processing plant

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** December 28, 2012

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$27,157

**Amount Deferred for Expedited Settlement:** \$5,431

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$10,863

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**SEP Conditional Offset:** \$10,863

Name of SEP: Borger ISD Clean School Bus Replacement Program

**Compliance History Classifications:**

Person/CN - Average

Site/RN - Average

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** September 2002

**Executive Summary – Enforcement Matter – Case No. 44584  
Eagle Rock Field Services, L.P.  
RN102527397  
Docket No. 2012-1447-AIR-E**

***Investigation Information***

**Complaint Date(s):** N/A  
**Complaint Information:** N/A  
**Date(s) of Investigation:** June 25 to 27, 2012  
**Date(s) of NOE(s):** July 12, 2012

***Violation Information***

Failed to conduct Leak Detection and Repair (“LDAR”) monitoring on 264 valves, four pumps, and three pressure relief valves that were not represented as being subject to 40 CODE OF FEDERAL REGULATIONS (“CFR”) Part 60, Subpart KKK. Specifically, Respondent did not conduct quarterly LDAR monitoring on 56 valves and three pressure relief valves in FUGAREA6 prior to March 2011 and 208 valves and four pumps in FUGAREA5 prior to August 2011 [30 TEX. ADMIN. CODE §§ 101.20(1), 116.620(c)(1), and 122.143(4), Standard Permit No. 71141, Federal Operating Permit No. O3174, Special Terms and Conditions No. 1.A., 40 CFR § 60.482-1(a) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

By August 31, 2011, Respondent implemented measures and procedures to ensure LDAR monitoring is conducted as required.

**Technical Requirements:**

The Order will require Respondent to implement and complete a Supplemental Environmental Project (“SEP”). (See SEP Attachment A)

***Litigation Information***

**Date Petition(s) Filed:** N/A  
**Date Answer(s) Filed:** N/A  
**SOAH Referral Date:** N/A  
**Hearing Date(s):** N/A  
**Settlement Date:** N/A

***Contact Information***

**TCEQ Attorney:** N/A  
**TCEQ Enforcement Coordinator:** Kimberly Morales, Enforcement Division, Enforcement Team 5, MC R-12, (713) 422-8938; Debra Barber, Enforcement Division, MC 219, (512) 239-0412

**Executive Summary – Enforcement Matter – Case No. 44584**  
**Eagle Rock Field Services, L.P.**  
**RN102527397**  
**Docket No. 2012-1447-AIR-E**

**TCEQ SEP Coordinator:** Stuart Beckley, SEP Coordinator, Enforcement Division,  
MC 219, (512) 239-3565

**Respondent:** Rachel M. Trainer, Environmental Director, Eagle Rock Field Services,  
L.P., P.O. Box 2968, Houston, Texas 77252

**Respondent's Attorney:** N/A

**Attachment A**  
**Docket Number: 2012-1447-AIR-E**

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	Eagle Rock Field Services, L.P.
<b>Penalty Amount:</b>	Twenty-One Thousand Seven Hundred Twenty-Six Dollars (\$21,726)
<b>SEP Offset Amount:</b>	Ten Thousand Eight Hundred Sixty-Three Dollars (\$10,863)
<b>Type of SEP:</b>	Contribution to a Pre-Approved Third-Party Recipient
<b>Third-Party Recipient:</b>	Borger Independent School District ("ISD")
<b>Project Name:</b>	<i>Borger ISD Clean School Bus Replacement Program</i>
<b>Location of SEP:</b>	Gray County; Texas Air Quality Control Region 211 - Amarillo - Lubbock

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for Respondent to contribute to a Supplemental Environmental Project ("SEP"). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

a. Project

Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to **Borger ISD** for the *Borger ISD Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Recipient and the TCEQ (the "Project"). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel and gasoline buses with newer buses that meet more stringent emission standards. The Third-Party Recipient shall use SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel or gasoline school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project and no portion will be spent on administrative costs.

Eagle Rock Field Services, L.P.  
Agreed Order - Attachment A

Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

Respondent shall contribute at least the SEP Offset Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient. Respondent shall make the check payable to **Borger Independent School District SEP** and mail the contribution, with a copy of the Agreed Order to:

Borger Independent School District  
200 East Ninth Street  
Borger, Texas 79008-1177

**3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount due to the Third-Party Recipient. Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality  
Enforcement Division  
Attention: SEP Coordinator, MC 219  
P.O. Box 13087  
Austin, Texas 78711-3087

#### **4. Failure to Fully Perform**

If Respondent does not perform its obligations under this SEP agreement in any way, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the Executive Director (“ED”) may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that Respondent failed to fully implement and complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP, shall make the check payable to “Texas Commission on Environmental Quality,” and shall mail it to:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

#### **5. Publicity**

Any public statements concerning this SEP made by or on behalf of Respondent, must include a clear statement that the Project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

#### **6. Clean Texas Program**

Respondent shall not include this SEP in any application made to TCEQ under the “Clean Texas” (or any successor) program(s). Similarly, Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

#### **7. Other SEPs by TCEQ or Other Agencies**

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

**TCEQ**

<b>DATES</b>	<b>Assigned</b>	16-Jul-2012	<b>Screening</b>	19-Jul-2012	<b>EPA Due</b>	
	<b>PCW</b>	15-Aug-2012				

<b>RESPONDENT/FACILITY INFORMATION</b>			
<b>Respondent</b>	Eagle Rock Field Services, L.P.		
<b>Reg. Ent. Ref. No.</b>	RN102527397		
<b>Facility/Site Region</b>	1-Amarillo	<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	44584	<b>No. of Violations</b>	1
<b>Docket No.</b>	2012-1447-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Kimberly Morales
		<b>EC's Team</b>	Enforcement Team 5
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$10,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1** **\$23,000**

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

**Compliance History** **26.0%** Enhancement **Subtotals 2, 3, & 7** **\$5,980**

Notes: Enhancement for one NOV with same/similar violations, two NOVs with dissimilar violations, and one order with denial of liability. Reduction for one notice of intent to conduct an audit and one disclosure of violations.

**Culpability** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5** **\$5,750**

**Economic Benefit** **0.0%** Enhancement\* **Subtotal 6** **\$0**

Total EB Amounts \$6,803  
 Approx. Cost of Compliance \$10,650  
 \*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal** **\$23,230**

**OTHER FACTORS AS JUSTICE MAY REQUIRE** **16.9%** **Adjustment** **\$3,927**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Enhancement to capture the avoided costs of compliance associated with the violation.

**Final Penalty Amount** **\$27,157**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty** **\$27,157**

**DEFERRAL** **20.0%** Reduction **Adjustment** **-\$5,431**

Reduces the Final Assessed Penalty by the indicted percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: Deferral offered for expedited settlement.

**PAYABLE PENALTY** **\$21,726**

Screening Date 19-Jul-2012

Docket No. 2012-1447-AIR-E

PCW

Respondent Eagle Rock Field Services, L.P.

Policy Revision 2 (September 2002)

Case ID No. 44584

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102527397

Media [Statute] Air

Enf. Coordinator Kimberly Morales

### Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	1	5%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgements or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	1	-2%

Please Enter Yes or No

Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 26%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for one NOV with same/similar violations, two NOVs with dissimilar violations, and one order with denial of liability. Reduction for one notice of intent to conduct an audit and one disclosure of violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 26%

Screening Date 19-Jul-2012

Docket No. 2012-1447-AIR-E

PCW

Respondent Eagle Rock Field Services, L.P.

Policy Revision 2 (September 2002)

Case ID No. 44584

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102527397

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(1), 116.620(c)(1), and 122.143(4), Standard Permit No. 71141, Federal Operating Permit No. O3174, Special Terms and Conditions No. 1.A., 40 Code of Federal Regulations ("CFR") § 60.482-1(a) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to conduct Leak Detection and Repair ("LDAR") monitoring on 264 valves, four pumps, and three pressure relief valves that were not represented as being subject to 40 CFR Part 60, Subpart KKK. Specifically, the Respondent did not conduct quarterly LDAR monitoring on 56 valves and three pressure relief valves in FUGAREA6 prior to March 2011 and 208 valves and four pumps in FUGAREAS prior to August 2011.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				10%
Potential			x	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 23      2099 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$23,000

Twenty-three single events are recommended for the 23 quarters from December 1, 2005, the violation start date that was reported in the July 28, 2011 and January 30, 2012 deviation reports, to the August 31, 2011 compliance date.

Good Faith Efforts to Comply

25.0% Reduction

\$5,750

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes

The Respondent completed corrective actions by August 31, 2011, prior to the July 12, 2012 NOE.

Violation Subtotal \$17,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$6,803

Violation Final Penalty Total \$27,157

This violation Final Assessed Penalty (adjusted for limits) \$27,157

## Economic Benefit Worksheet

**Respondent** Eagle Rock Field Services, L.P.

**Case ID No.** 44584

**Reg. Ent. Reference No.** RN102527397

**Media** Air

**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	1-Dec-2005	31-Aug-2011	5.75	\$2,875	n/a	\$2,875

**Notes for DELAYED costs**

Estimated cost to implement measures and procedures to ensure LDAR is conducted as required. The Date Required is the violation start date that was reported in the deviation reports. The Final Date is the date corrective actions were completed.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling	\$650	1-Dec-2005	31-Aug-2011	5.75	\$187	\$3,740	\$3,927
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

**Notes for AVOIDED costs**

Actual costs avoided by not monitoring 271 components (\$2.40 per component per year) as required. The Date Required is the start date reported in the deviation reports. The Final Date is the date corrective actions were completed.

**Approx. Cost of Compliance**

\$10,650

**TOTAL**

\$6,803

# Compliance History Report

Customer/Respondent/Owner-Operator: CN602959397 Eagle Rock Field Services, L.P. Classification: AVERAGE Rating: 2.48

Regulated Entity: RN102527397 KINGSMILL COMPLEX Classification: AVERAGE Site Rating: 6.10

ID Number(s):

AIR NEW SOURCE PERMITS	REGISTRATION	14969
AIR NEW SOURCE PERMITS	REGISTRATION	12858
AIR NEW SOURCE PERMITS	REGISTRATION	15206
AIR NEW SOURCE PERMITS	PERMIT	20767
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	GH0001U
AIR NEW SOURCE PERMITS	REGISTRATION	54323
AIR NEW SOURCE PERMITS	AFS NUM	4817900018
AIR NEW SOURCE PERMITS	REGISTRATION	71141
AIR NEW SOURCE PERMITS	PERMIT	4312
AIR OPERATING PERMITS	ACCOUNT NUMBER	GH0001U
AIR OPERATING PERMITS	PERMIT	3174
AIR OPERATING PERMITS	PERMIT	3174
ON SITE SEWAGE FACILITY	PERMIT	0900142
AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	GH0001U

Location: 8442 COUNTY ROAD 3, PAMPA, GRAY COUNTY TEXAS

TCEQ Region: REGION 01 - AMARILLO

Date Compliance History Prepared: July 19, 2012

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: July 19, 2007 to July 19, 2012

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History  
 Name: Kimberly Morales Phone: (713) 422-8938

## Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? YES
2. Has there been a (known) change in ownership/operator of the site during the compliance period? NO
3. If YES, who is the current owner/operator? N/A
4. If YES, who was/were the prior owner(s)/operator(s)? N/A
5. If YES, when did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2011 Repeat Violator: NO

### Components (Multimedia) for the Site:

- A. Final Enforcement Orders, court judgments, and consent decrees of the State of Texas and the federal government.

Effective Date: 05/22/2011 ADMINORDER 2010-1473-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 30 TAC Chapter 122, SubChapter B 122.145(2)(A)

Rqmt Prov: GOP NO. O-0530 OP

Description: Failed to submit complete and accurate semi-annual deviation reports for the June 1, 2008 through November 30, 2008 and January 1, 2009 through June 30, 2009 reporting periods at the Kingsmill Complex Plant. Specifically, a deviation occurred in June of 2008, but was not reported in the June 1, 2008 through November 30, 2008 semi-annual deviation report. Additionally, the Respondent submitted a revised semi-annual deviation report for the January 1, 2009 through June 30, 2009 reporting period on

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 30 TAC Chapter 122, SubChapter B 122.146(1)  
 5C THSC Chapter 382 382.085(b)

Rqmt Prov: Site-wide requirements (b)(2) OP

Description: Failed to certify compliance with the terms and conditions of the permit for at least each 12-month period following initial permit issuance at the Kingsmill Complex Plant. Specifically, the Respondent failed to submit a final compliance certification for the period from December 1, 2008 through the permit voidance on August 24, 2009.

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1 07/12/2012 (1013724)  
2 04/04/2008 (618643)  
3 03/10/2009 (736017)  
4 04/09/2009 (741875)  
5 07/27/2010 (842075)  
6 08/12/2010 (844513)  
7 07/08/2011 (937332)  
8 08/24/2011 (942220)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 04/04/2008 (618643) CN602959397  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.147(a)(1)  
40 CFR Chapter 64, SubChapter C, PT 64 64.7  
Description: Eagle Rock failed to initiate daily fuel consumption on engine RECOMP1 by the deadline of April 7, 2007, as required in 30 TAC Chapter 122.147(a)(1) and 40 CFR CFR 64.7.

Date: 03/10/2009 (736017) CN602959397  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
Description: Eagle Rock failed to report an accurate deviation end date. The deviation occurred during the period of April 26, 2008 (2:30 p.m.) through April 27, 2008 (2:45 a.m.), but was reported as ending on April 26, 2008. Eagle Rock failed to report seven (7) deviations which occurred during the previous deviation period of December 01, 2007 through May 31, 2008. the deviation report for that period was submitted on June 30, 2008.

Date: 07/12/2012 (1013724) CN602959397  
Self Report? NO Classification: Moderate  
Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT KKK 60.632(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(1)  
5C THSC Chapter 382 382.085(b)  
Description: On four separate occasions Eagle Rock failed to re-monitor valves within fifteen days after repair during LDAR monitoring.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
5C THSC Chapter 382 382.085(b)  
Description: Eagle Rock failed to submit accurate deviation reports from December 01, 2005 (when Eagle Rock became the owner/operator) through December 30, 2011. The company failed to submit deviations for failing to conduct fugitive monitoring and failure to report non-reportable emissions events.

Self Report? NO Classification: Moderate  
Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT KKK 60.632(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2(c)(1)  
5C THSC Chapter 382 382.085(b)  
71141 PERMIT  
Description: Eagle Rock failed to repair two pumps (tag no's, 1673 and 1684) in FUGAREAS within 15 days after leak is detected.

F. Environmental audits.

Notice of Intent Date: 07/22/2008 (703844)

Disclosure Date: 11/24/2008

Viol. Classification: Moderate

Citation: 5C THSC Chapter 382 382.085(b)

Rqmt Prov: PERMIT General Operating Permit O-00530  
PERMIT New Source Review Permit 20767  
PERMIT New Source Review Permit 4312  
PERMIT Standard Permit 71141

Description: Exceeded the allowable throughput and emissions for condensate tank loading.

Viol. Classification: Major

Citation: 5C THSC Chapter 382 382.085(b)

Rqmt Prov: PERMIT General Operating Permit O-00530  
PERMIT New Source Review Permit 20767  
PERMIT New Source Review Permit 4312  
PERMIT Standard Permit 71141

Description: Failure to have permit authorization to vent flash gas emissions into the atmosphere from the dehydration unit (STILL-STK - Dehy Still Vent)

Viol. Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter F 122.501  
30 TAC Chapter 122, SubChapter F 122.502  
30 TAC Chapter 122, SubChapter F 122.503  
30 TAC Chapter 122, SubChapter F 122.504  
5C THSC Chapter 382 382.085(b)

Rqmt Prov: PERMIT General Operating Permit O-00530  
PERMIT New Source Review Permit 20767  
PERMIT New Source Review Permit 4312  
PERMIT Standard Operating Permit 71141

Description: Failure to represent or permit the glycol dehydration unit as subject to MACT HH as an Area Source.

Viol. Classification: Moderate

Citation: 5C THSC Chapter 382 382.085(b)

Rqmt Prov: PERMIT General Operating Permit O-00530  
PERMIT New Source Review Permit 20767  
PERMIT New Source Review Permit 4312  
PERMIT Standard Permit 71141

Description: Misrepresented the horsepower of the COMP5G 500 hp Caterpillar G-398 as 412 hp.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
40 CFR Chapter 121, SubChapter D, PT 121, SubPT D 122.5  
5C THSC Chapter 382 382.085(b)  
40 CFR Part 60, Subpart A 60.18

Rqmt Prov: PERMIT General Operating Permit O-00530  
PERMIT New Source Review Permit 20767  
PERMIT New Source Review Permit 4312  
PERMIT Standard Permit 71141

Description: Failure to complete a flare compliance test (FIN: AMSTILL [G], EPN: AMSTILL [G] Acid Gas Flare) (Amine Still Feed).

Viol. Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20  
40 CFR Chapter 121, SubChapter D, PT 121, SubPT D 122.5  
5C THSC Chapter 382 382.085(b)  
40 CFR Part 60, Subpart A 60.18

Rqmt Prov: PERMIT General Operating Permit O-00530  
PERMIT New Source Review Permit 20767  
PERMIT New Source Review Permit 4312  
PERMIT Standard Permit 71141

Description: Failure to report and maintain records of periods when flare was smoking (FIN: AMSTILL [G], EPN: AMSTILL [G] Acid Gas Flare) (Amine Still Feed).

Viol. Classification: Major

Citation: 5C THSC Chapter 382 382.085(b)

Rqmt Prov: PERMIT General Operating Permit O-00530  
PERMIT New Source Review Permit 20767  
PERMIT New Source Review Permit 4312  
PERMIT Standard Permit 71141

Description: Failure to represent or permit the following storage tanks:1000 gal methanol;500 gal expander oil;500 gal ariel oil;1000 gal amine west;1000 gal amine east;500 gal TEG, 50 bbls ambitrol west;50 bbls ambitrol west;300 gal #5 engine oil;300 gal essentialube oil for heater;4500 gal engine oil #10;6000 gal engine oil #11;210 bbls engine oil;2000 bbls propane;300 gal essentialube;300 gal ambitrol;500 gal Superdrip oil;500

gal Superdrip comp oil;300 gal Superdrip pump oil;1000 gal methanol;Parts Washer

Viol. Classification: Moderate

Citation: 5C THSC Chapter 382 382.085(b)

Rqmt Prov: PERMIT General Operating Permit O-00530

PERMIT New Source Review Permit 20767

PERMIT New Source Review Permit 4312

PERMIT Standard Permit 71141

Description: Failure to record and report blowdown events. And record scheduled maintenance, startup, and shutdown events.

Viol. Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.10

30 TAC Chapter 101, SubChapter A 101.27

5C THSC Chapter 382 382.085(b)

Description: Failure to report emissions from all sources in the 2007 emissions inventory.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.145(2)

5C THSC Chapter 382 382.085(b)

Description: Title V reports have been inaccurate because they failed to include the audit findings.

Disclosure Date: 01/20/2009

Viol. Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter F 116.615(4)

5C THSC Chapter 382 382.085(b)

Description: No notification of construction, construction interruptions exceeding 45 days, completion of construction, or start-up of operations were reported to the appropriate regional office.

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



<b>IN THE MATTER OF AN</b>	<b>§</b>	<b>BEFORE THE</b>
<b>ENFORCEMENT ACTION</b>	<b>§</b>	
<b>CONCERNING</b>	<b>§</b>	<b>TEXAS COMMISSION ON</b>
<b>EAGLE ROCK FIELD SERVICES,</b>	<b>§</b>	
<b>L.P.</b>	<b>§</b>	
<b>RN102527397</b>	<b>§</b>	<b>ENVIRONMENTAL QUALITY</b>

**AGREED ORDER**  
**DOCKET NO. 2012-1447-AIR-E**

**I. JURISDICTION AND STIPULATIONS**

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Eagle Rock Field Services, L.P. ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a natural gas processing plant at 8442 County Road 3 in Pampa, Gray County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about July 17, 2012.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Twenty-Seven Thousand One Hundred Fifty-Seven Dollars (\$27,157) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Ten Thousand Eight

Hundred Sixty-Three Dollars (\$10,863) of the administrative penalty and Five Thousand Four Hundred Thirty-One Dollars (\$5,431) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Ten Thousand Eight Hundred Sixty-Three Dollars (\$10,863) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that by August 31, 2011, the Respondent implemented measures and procedures to ensure Leak Detection and Repair ("LDAR") monitoring is conducted as required.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## **II. ALLEGATIONS**

As owner and operator of the Plant, the Respondent is alleged to have failed to conduct LDAR monitoring on 264 valves, four pumps, and three pressure relief valves that were not represented as being subject to 40 CODE OF FEDERAL REGULATIONS ("CFR") Part 60, Subpart KKK, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1), 116.620(c)(1), and 122.143(4), Standard Permit No. 71141, Federal Operating Permit No. O3174, Special Terms and Conditions No. 1.A., 40 CFR § 60.482-1(a) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted from June 25 to 27, 2012. Specifically, the Respondent did not conduct quarterly LDAR monitoring on 56 valves and three pressure relief valves in FUGAREA6 prior to March 2011 and 208 valves and four pumps in FUGAREA5 prior to August 2011.

## **III. DENIALS**

The Respondent generally denies each allegation in Section II ("Allegations").

#### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Eagle Rock Field Services, L.P., Docket No. 2012-1447-AIR-E" to:

Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Ten Thousand Eight Hundred Sixty-Three Dollars (\$10,863) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the

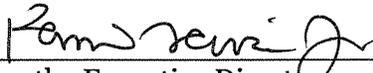
Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

## SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

  
\_\_\_\_\_  
For the Executive Director

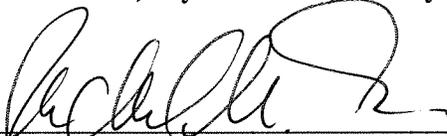
2/13/13  
\_\_\_\_\_  
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

  
\_\_\_\_\_  
Signature

11/09/2012  
\_\_\_\_\_  
Date

Rachel M. Trainer  
\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
Eagle Rock Field Services, L.P.

Environmental Director  
\_\_\_\_\_  
Title

**Instructions:** Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.

**Attachment A**  
**Docket Number: 2012-1447-AIR-E**

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	Eagle Rock Field Services, L.P.
<b>Penalty Amount:</b>	Twenty-One Thousand Seven Hundred Twenty-Six Dollars (\$21,726)
<b>SEP Offset Amount:</b>	Ten Thousand Eight Hundred Sixty-Three Dollars (\$10,863)
<b>Type of SEP:</b>	Contribution to a Pre-Approved Third-Party Recipient
<b>Third-Party Recipient:</b>	Borger Independent School District ("ISD")
<b>Project Name:</b>	<i>Borger ISD Clean School Bus Replacement Program</i>
<b>Location of SEP:</b>	Gray County; Texas Air Quality Control Region 211 - Amarillo - Lubbock

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for Respondent to contribute to a Supplemental Environmental Project ("SEP"). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

a. Project

Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to **Borger ISD** for the *Borger ISD Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Recipient and the TCEQ (the "Project"). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel and gasoline buses with newer buses that meet more stringent emission standards. The Third-Party Recipient shall use SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel or gasoline school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project and no portion will be spent on administrative costs.

Eagle Rock Field Services, L.P.  
Agreed Order - Attachment A

Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

Respondent shall contribute at least the SEP Offset Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient. Respondent shall make the check payable to **Borger Independent School District SEP** and mail the contribution, with a copy of the Agreed Order to:

Borger Independent School District  
200 East Ninth Street  
Borger, Texas 79008-1177

**3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount due to the Third-Party Recipient. Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality  
Enforcement Division  
Attention: SEP Coordinator, MC 219  
P.O. Box 13087  
Austin, Texas 78711-3087

**4. Failure to Fully Perform**

If Respondent does not perform its obligations under this SEP agreement in any way, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the Executive Director (“ED”) may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that Respondent failed to fully implement and complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP, shall make the check payable to “Texas Commission on Environmental Quality,” and shall mail it to:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

**5. Publicity**

Any public statements concerning this SEP made by or on behalf of Respondent, must include a clear statement that the Project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

**6. Clean Texas Program**

Respondent shall not include this SEP in any application made to TCEQ under the “Clean Texas” (or any successor) program(s). Similarly, Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

**7. Other SEPs by TCEQ or Other Agencies**

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.